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 MARINE STRUCTURAL ENVIRONMENTAL PERMITS

October 18, 2002

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Mr. Don Ugelstad Ash Grove Cement Company 3801 E Marginal Way South Seattle, Washington 98134-1147

Reference: Material Recovery -- Permit Application Status

Dear Don:

It is our best judgement that the Corps of Engineers permit should be issued by December 15, 2002. Dredging can begin as soon as their permit is issued. The dredging window will remain open until January 31, 2003. We will continue to closely monitor permit progress.

The status of individual permits follows:

CORPS OF ENGINEERS (USACE) APPROVAL

- U.S. Environmental Protection Agency (USEPA)/Superfund Site. We have just received a verbal report that the USEPA has notified the Corps that it has no objections to the project.
- Endangered Species Act (ESA)/U.S. Fish & Wildlife Service and National Marine Fisheries Service. Based on the September 17, 2002, letter from Ash Grove describing off-loading equipment improvements, and with the understanding that their concurrence is for a "one-time-only" dredge permit, the Services have signed off on the project.
- The Corps intends to publish the 30 day public notice this week. They estimate that unless something comes up during the public notice, they should issue project approval about the end of November.
- Based on experience, we recommend including an additional contingency to the schedule.

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Ash Grove Cement Company Material Recovery — Permit Application Status October 18, 2002

WASHINGTON DEPARTMENT OF ECOLOGY

The project requires a Water Quality Certification and Coastal Zone Management consistency certification. All Materials have been submitted and we have met in Olympia with the permit manager.

Our latest contact with WDOE staff suggests that the water quality approvals will be submitted to the Corps so as not to delay issuance of the USACE permit.

WASHINGTON DEPARTMENT OF FISH & WILDLIFE

The Hydraulics Project Approval (HPA) has been issued for the project. Conditions include:

- 1) work window 10/15 to 1/31
- 2) notify WDFW 3 days prior to starting project
- 3) preparation of a post-project bathymetry report

CITY OF SEATTLE

A Shoreline Exemption was issued and a SEPA determination of non-significance (DNS) with conditions has been received. The conditions include:

- 1) follow Best Management Practices (BMPs) during the dredging operations
- 2) obtain other regulatory permits and follow required conditions.

Please call me if you have any questions.

Jay W. Spearman, PE

JWS:rl

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